

98-00623

**Angell & Associates, L.L.C.**  
1075 Rosewood Drive, Grapevine, Texas 76051

*Left*

August 24, 1998

RECEIVED  
REGULATORY AUTH.

SEP 14 PM 2 46

EXECUTIVE SECRETARY

Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

*Message  
Waiting  
for add'l  
copies*

**RE: Application of Paramount International Telecommunications for a Certificate of Public Convenience and Necessity to Provide IntraState Telecommunications Services.**

To Whom It May Concern:

This Application is being filed Pursuant to T.C.A. §§ 65-4-201(b)(c) and (d). Enclosed is an original and one (1) copy as well as a check for twenty-five dollars (\$25.00) made payable to the Tennessee Regulatory Authority.

Please date stamp the enclosed copy of this transmittal letter and return it in the postage paid self addressed envelope.

Respectfully submitted,

*Mark J. Angell*

Mark J. Angell  
Partner  
ANGELL & ASSOCIATES, LLP

*Spoke to  
Mark Angell  
will send  
copies.*

MJA/aa

enc.

Cc: Paramount

*[Handwritten mark]*

VOUCHER NO. 777-106/29  
C# 1440 SRC. 281.03  
AMT. REC. 25.00  
DEPOSIT DATE 9/4/98

REC'D IN  
REGULATORY AUTH.  
PRIORITY

CLERK OF THE  
EXECUTIVE SECRETARY

**APPLICATION OF PARAMOUNT INTERNATIONAL  
TELECOMMUNICATIONS, INC. FOR A CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE  
PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES**

Docket No.

98-00623

1. The name and address of the applicant is:

Paramount, a non-dominant diversified telecommunications company, currently provides operator services, private payphone and long distance communications services to both business and residential customers. Headquartered in Vista, California, Paramount's network control center and customer service department for Tennessee are located at its Headquarters location.

-1-

transact business in Tennessee. Attached as Exhibit A is a copy of its Certificate of Authority to do business in Tennessee including a Certificate of Good Standing from the Secretary of State of the State of Nevada.

2. Correspondence concerning this Application should be directed to:

Angell & Associates, LLP  
attn: Mark J. Angell - Partner  
1075 Rosewood Drive  
Grapevine, Texas 76051  
phone (817) 329-7424 - direct  
facsimile (817) 421-4789

3. Paramount seeks a Certificate to provide a full array of telecommunications services as would normally be provided by an incumbent local exchange telephone company including, but not limited to, direct and switched access services, private line services, local dial tone, toll services and enhanced services. Additionally, Paramount may augment its services offerings in the future and add new services and capabilities as they become available from the incumbent Local Exchange Carrier ("ILEC"). ~~Paramount is not currently a~~ competitor local exchange provider and, therefore, seeks certification as a facilities-based competitor. Paramount will also ensure that its customers have access to the following services: 911, directory assistance, dual party relay service and directory listing. Paramount request a Certificate to offer these services on a statewide basis as allowed by state and federal law. Paramount does not at this time have any franchises from local governments and does not, by this Application, seek authority to provide service pursuant to any franchise documents. Paramount does not, by this Application, seek authority to provide service in any area served by a telephone cooperative.

4. Paramount has the managerial, financial and technical abilities to provide the applied-for services.

A. Paramount currently operates in several others states jurisdiction and those states have found

Paramount possesses the managerial, financial and technically fit.

B. Managerial Fitness - paramount, led by Michael Eberle, President has an excellent management team, back by very experienced employees, who are competent in telephony engineering, operations and marketing. Paramount has also contracted with Angell & Associates, LLP to ensure compliance with all regulatory requirements. Attached to this Application as Exhibit B is a list of the principal individuals back ground and experience. As shown in Exhibit B, each individual of the company has substantial managerial experience in business as well as telecommunications.

C. Financial Fitness - Paramount 's financial fitness is outlined in Exhibit C.

D. Technical Fitness - Paramount is technically qualified to offer local exchange services pursuant to the information contained in Exhibit D.

5. Paramount proposes to offer a wide range of telecommunications services including, without limitation, private line and special access service, exchange access service and local exchange service. In particular, applicant intends to provide any and all services which are or may be provided by a local exchange carrier such as:

- Local usage;
- IntraLATA toll;
- Lifeline Services;
- Inside Wire Arrangements;
- Wire Maintenance Plans;
- 911/E911,411/Directory Assistance, Relay Service;
- Operator Services;
- CLASS Services and Features;
- Repair and Maintenance;
- Centrex; and
- Any other local exchange carrier services as they become technologically available.

The applicant intends to enter into interconnection agreements with ILEC's. Applicant will offer its services as a non-facilities based provider until such time as the applicant constructs or acquires facilities in

its areas of operations.

6. Applicant is familiar with and will adhere to the Authority's rules, policies and orders regarding the provision of telecommunications service. The name and telephone number of the contact person authorized to respond to Authority inquiries is listed in Paragraph 2, above.

7. As a competitive carrier, Paramount maintains its books and accounts in accordance with Generally Accepted Accounting Principles ("GAAP").

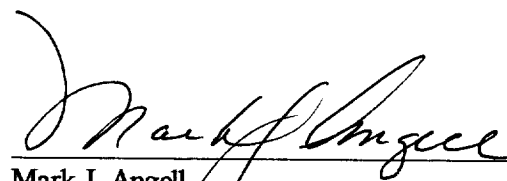
WHEREFORE, applicant prays that:

1. The Tennessee Regulatory Authority grant a Certificate of Public Convenience and Necessity to applicant to provide telecommunications services throughout the State of Tennessee; and

2. The Authority grant applicant such other, further and general relief as it might be entitled to under the premises.

DATED this 27<sup>th</sup> day of August, 1998.

Respectfully submitted,



Mark J. Angell  
Angell & Associates, LLP  
1075 Rosewood Drive  
Grapevine, Texas 76051  
(817) 329-7424

Its Legal Representative

## VERIFICATION

State of Texas       )  
                              ) ss.  
County of Tarrant    )

I am authorized to represent Paramount International Telecommunications, Inc. and to make this verification on its behalf. The statements in the foregoing application and exhibits are true and correct to the best of my knowledge, information and belief.

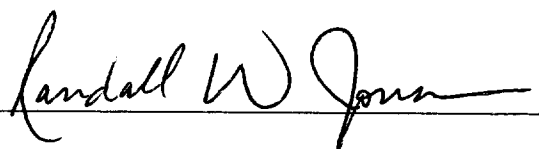
BY: 

NAME: Mark J. Angell

TITLE: Legal Representative

DATE: 8-24-98

Sworn to and subscribed before me, the undersigned authority in and for the jurisdiction aforesaid, the within named Mark J. Angell, this 24<sup>th</sup> day of August, 1998



My Commission expires: 6/26/2001

### CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true a exact copy of the within and foregoing Application on behalf of Paramount International Telecommunications, Inc., via United States mail, first class postage prepaid and properly addressed to the following:

Guy Hicks  
BellSouth Telecommunications, Inc.  
333 Commerce St., Ste 2101  
Nashville, TN 37201-3300

Bob Wallace  
United Telephone Systems  
225 Capitol Blvd, Ste 214  
Nashville, TN 37219

Jim Jenkins  
AT&T  
511 Union St., Ste 1510  
Nashville, TN 37219

Joseph Kahl  
Metromedia Communications Corp.  
One Meadowlands Plaza  
East Rutherford, NJ 07073

D. Billye Sanders  
Waller, Lansden, Dortch & Davis  
511 Union St., Ste 2100  
Nashville, TN 37219-1760

Bill Wiginton  
Hyperion Telecommunications  
Boyce Plaza III  
2570 Boyce Plaza Road  
Pittsburgh, PA 15241

C. Steve Parrott  
United Telephone - SE  
14111 Capitol Blvd.  
Wake Forest, NC 27587

Val Sanford  
Gullett, Sanford, Robinson & Martin  
PO Box 19888  
Nashville, TN 37219-8888

Roger Briney  
AT&T  
1200 Peachtree ST., NE, Ste 4068  
Atlanta, GA 30309

Mickey Henry  
MCI Telecommunications  
780 Johnson Ferry Rd, Ste 700  
Atlanta, GA 30342

Riley M. Murphy  
131 National Business Pkwy  
Ste 100  
Annapolis Junction, MD 20701

H. LaDon Baltimore  
Clark, Baltimore and Reeves  
3354 Perimeter Hill Dr., Ste 112  
Nashville, TN 37211-4129

William Bates  
Hyperion of Tennessee  
222 Second Ave. North  
Nashville, TN 37201

Henry Walker  
Boult, Cummings, Conners & Berry  
PO Box 198062  
Nashville, TN 32719

Charles B. Welch  
511 Union Street  
Ste 2400  
Nashville, TN 37219

Dick Blair  
Tennessee Telecommunications Assn.  
226 Capitol Blvd.  
Nashville, TN 37219

Russell C. Merbeth  
Swidler & Berlin  
3000 K. Street NW Ste 300  
Washington, DC 20007-5116

John Hastings  
Boult, Cummings, Conners & Berry  
PO Box 198062  
Nashville, TN 37219-8062

David Yates  
Office of the Attorney General  
Consumer Advocate Division  
Ste 1504, Parkway Towers  
404 James Robertson Pkwy  
Nashville, TN 37243

Jon Hasting  
Boult, Cummings, Conners & Berry  
PO Box 198062  
Nashville, TN 37219-8062


Ted Pappas  
Bass, Berry & Sims  
2700 First American center  
Nashville, TN 37238

Ozle Allen  
Tennessee Telephone Cooperatives  
2755 Short Mountain Road  
McMinnville, TN 37110

Tom McPherson  
Benham Leake  
6000 Poplar Avenue, Ste 401  
Memphis, TN 38119

Kenneth Bryant  
Trabue, Sturdivantr & DeWitt  
2500 Nashville City Center  
511 Union Street  
Nashville, TN 37219-1738

This 25<sup>th</sup> day of August, 1998.

  
\_\_\_\_\_  
Mark J. Angell - Partner  
Angell & Associates, LLP  
Legal Representative for  
Paramount International Telecommunications, Inc.



**EXHIBIT A**

**Authority to Conduct**

**Business**

**in**

**The State of Tennessee**

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

FILED

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.

If different, the name under which the certificate of authority is to be obtained is \_\_\_\_\_

(NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).)

2. The state or country under whose law it is incorporated is Nevada

3. The date of its incorporation is October 18, 1996 (must be month, day, and year), and the period of duration, if other than perpetual, is \_\_\_\_\_

4. The complete street address (including zip code) of its principal office is \_\_\_\_\_  
2540 FORTUNE WAY, VISTA, CA 92083  
 Street City State/Country Zip Code

5. The complete street address (including the country and zip code) of its registered office in this state is  
500 Tallan Building, Two Union Square Chattanooga, TN Hamilton 37402-2571  
 Street City/State County Zip Code

The name of its registered agent at that office is  
Corporation Service Company

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

See attached officers/directors rider

7. The names and complete business addresses (including Zip code) if its current board of directors are: (Attach separate sheet if necessary.)

See attached officers/directors rider

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is

\_\_\_\_\_, 19\_\_\_\_ (date), \_\_\_\_\_ (time).

(NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.)

(NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The Certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.)

August 5, 1998  
Signature Date

PRESIDENT  
Signer's Capacity

PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.  
Name of Corporation

Michael Eberle  
Signature

MICHAEL EBERLE  
Name (typed or printed)

## OFFICERS RIDER

3549 0150  
PARAMOUNT INTERNATIONAL  
TELECOMMUNICATIONS, INC.

RECEIVED  
SECRETARY OF STATE

3549 0150  
98 AUG 13 PM 12:16  
SECRETARY OF STATE

### List of Officers

Name: MICHAEL EBERLE

Title: PRESIDENT

Bus. Addr.: 1815 S. PACIFIC STREET, OCEANSIDE, CA 92054

Name: DAVID PATON

Title: VICE PRESIDENT

Bus. Addr.: 10002 WALDGROVE PLACE, SAN DIEGO, CA 92131

Name: KAY EBERLE

Title: SEC/TREAS.

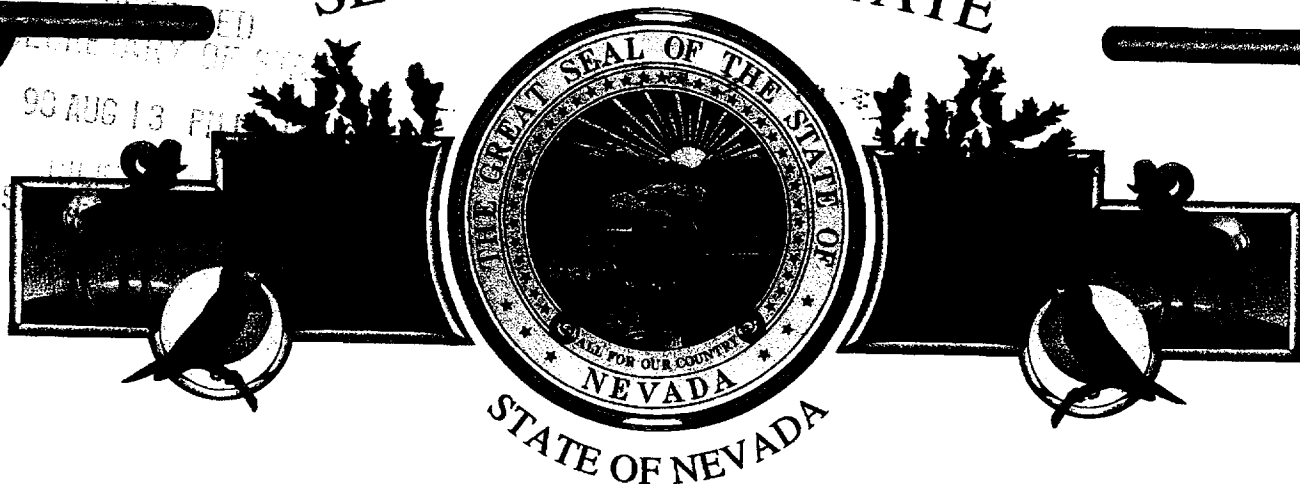
Bus. Addr.: 1815 S. PACIFIC STREET, OCEANSIDE, CA 92054

Name: DAVID MOODY

Title: CHAIRMAN OF THE BOARD

Bus. Addr.: 734 PALOMINO ROAD, FALLBROOK, CA 92028

# SECRETARY OF STATE



## CERTIFICATE OF EXISTENCE WITH STATUS IN GOOD STANDING

I, DEAN HELLER, the duly elected and qualified Nevada Secretary of State, do hereby certify that I am, by the laws of said State, the custodian of the records relating to filings by corporations, limited-liability companies, limited partnerships, and limited-liability partnerships pursuant to Title 7 of the Nevada Revised Statutes which are either presently in a status of good standing or were in good standing for a time period subsequent of 1976 and am the proper officer to execute this certificate.

I further certify that the records of the Nevada Secretary of State, at the date of this certificate, evidence, **PARAMOUNT INTERNATIONAL TELECOMMUNICATIONS, INC.**, as a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada since October 18, 1996, and is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, on August 6, 1998.



*Dean Heller*  
Secretary of State

By *Voni Smith*  
Certification Clerk

## **EXHIBIT B**

### **Experience of Key Individuals**

# THE PARAMOUNT EXECUTIVE TEAM

Paramount's dynamic Executive Team represents many years of individual accomplishments in the telecommunications industry, the hospitality industry, and other corporate arenas. The effectiveness of the team's combined expertise is apparent in the growth of the Company, the strength of our client relationships, and the innovative ways in which all of our valued clients continue to profit from our services.

## David M. Moody, Executive Vice President and Chairman of the Board

David Moody is co-founder of the Company, and has a 25-year background in corporate development, marketing and communications. In the course of his career, Mr. Moody's leadership talents have put him at the forefront of several companies and organizations—one with a staff of over 2,000—and his marketing and communications skills have led to consultancy contracts with more than 50 U.S. and Canadian corporations. Mr. Moody has served as a communications policy advisor to President Jimmy Carter and to the Prime Minister of Canada Pierre Trudeau. He has held executive positions with the Federal Government, the Y.M.C.A., Alpha Communications, ICI, and PGI.

## Michael Eberle, President, Chief Executive Officer

Michael Eberle is co-founder of the company and has a long and distinguished career in the land development and construction industry. Among his accomplishments is the Cheyenne Mountain Inn and Conference Center in Colorado Springs, Colorado. Other major projects he has developed and/or built in California, Arizona and Utah have earned him similar acclaim. Mr. Eberle maintains excellent relationships within the hospitality industry and is keenly sensitive to the hotelier's needs. His solid understanding of capital formations, acquisitions, contracts, and financial management practices has proved invaluable to the Company.

## David A. Paton, Executive Vice President

David Paton is co-founder of the Company, and has extensive hands-on experience in hotel and resort operations, marketing and management. During his 35-year career, Mr. Paton has held virtually every kind of hotel staff and management position, including senior executive management positions with Hilton, Doubletree, Radisson, and Pillsbury's Hospitality Division. His broad experience, professional relationships, and energetic pursuit of the Company's goals have contributed significantly to Paramount's successful product identification and market penetration.

**Kay Eberle, Secretary/Treasurer, Corporate Controller**

Kay Eberle is co-founder of the company and has gained her executive level experience in the field of accounting. For the last 10 years Ms Eberle has served as senior accountant/controller for a number of major companies, including Summit Land Development, Inc., Cherry Mountain Spring Water Corporation, Mi-Ka Aviation, Inc., and Carlsbad Framing Corporation. The quality of expertise she has brought to Paramount has proven to be a valuable asset to the Company's day-to-day operations and to the strategic planning conducted by the Executive Team.

**Debra Ortiz, Vice President National Accounts**

Debra Ortiz joined Paramount from the MCI Hospitality Group, where she had served as Western USA Sales and Marketing Manager. Ms Ortiz has seven years experience in the telecommunications industry, and her extensive knowledge of hotel telecom operations stems from her background in auditing and managing telecom departments. With a comprehensive understanding of network environments and phone room technology, she has been the architect of many innovative changes that have resulted in new standards for hotel operations and profitability.

**Rudy Raymundo, Director of Technical Services**

Rudy Raymundo's 27-year telecom career has covered experience with all the major elements of telecommunications technology, including switch operations, network and central office functions, computer systems operations and interface. Prior to joining Paramount, Mr. Raymundo had long been a highly valued technician with PacBell and GTE. His background also includes years of valuable experience gained with interconnect companies.



## **EXHIBIT C**

### **Financials**

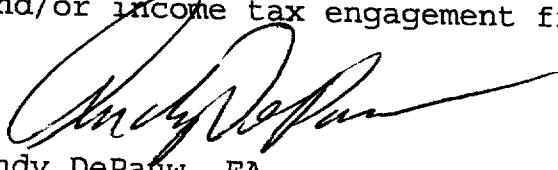
DePauw Business & Tax Service  
510 Escondido Ave., Ste A  
Vista, CA 92084-6169  
(760) 941-1763

Paramount International Telecommunication  
2540 Fortune Way  
Vista, Ca 92083

The accompanying consolidated balance sheet of Paramount International Telecommunications as of March 31, 1998, and the related statement of income for the three month period then ended have been prepared by me.

Compilation, review, audit and examination of prospective financial statements are attest services that we are not licensed to perform. Therefore we provide no accounting representations of assurances concerning them.

The attached financial statements are the results of a bookkeeping and/or income tax engagement from information provided by the client.



Andy DePauw, EA

April 29, 1998

Paramount Int'l Telecommunication  
Consolidated Statement

Balance Sheet

As of  
March 31, 1998

Assets

Current Assets

Cash In Bank - PR	\$	42.98	
Cash In Bank - Vendor		(1,605.29)	
Cash In Bank - General		54,239.17	
Loans Rec Paramount Financial		<u>466.75</u>	
Total Current Assets			\$ 53,143.61

Fixed Assets

Computer Equipment		26,483.81	
Office Equip./Furniture		<u>18,500.14</u>	
Total Fixed Assets			44,983.95
Total Assets			\$ <u>98,127.56</u>

See Compilation Statement

Paramount Int'l Telecommunication  
Consolidated Statement

Balance Sheet

As of  
March 31, 1998

Liabilities and Equity

Current Liabilities			
Accounts Payable	\$	11,326.54	
Payroll Tax Payable		(6.78)	
Loans Payable		<u>69,300.36</u>	
Total Current Liabilities			\$ 80,620.12
Long Term Liabilities			
Total Long Term Liabilities			<u>.00</u>
Total Liabilities			80,620.12
Equity			
Capital Stock		250,000.00	
Retained Earnings Prior		(247,285.99)	
Shareholder Distribution		(89,172.16)	
Net Income		<u>103,965.59</u>	
Total Equity			<u>17,507.44</u>
Total liabilities and Equity			\$ <u>98,127.56</u>

See Compilation Statement

Pa amount Int'l Telecommunication  
Consolidated Statement

Balance Sheet  
Supporting Schedules

As of  
March 31, 1998

Payroll Tax Payable			
FICA Payable	\$	(0.04)	
State Withholding Payable		(6.04)	
SDI Payable		5.33	
FUTA Payable		(12.50)	
SUI & ETT Payable		6.47	
Total			\$ <u>(6.78)</u>
Loans Payable			
Loan Payable	\$	49,300.36	
Loans Payable Carlsbad Framing		20,000.00	
Total			\$ <u>69,300.36</u>
Shareholder Distribution			
Shareholder Distribution- Patton	\$	(22,293.04)	
Shareholder Distribution- Moody		(22,293.04)	
Shareholder Distribution- M. Eberle		(22,293.04)	
Shareholder Distribution- K. Eberle		(22,293.04)	
Total			\$ <u>(89,172.16)</u>

See Compilation Statement

Pa Amount Int'l Telecommunication  
Consolidated Statement

Statement Of Income

For The Year to Date Period  
January 1, 1998 thru March 31, 1998

	Year To Date	%
Sales		
Supporting Schedule	\$ 1,694,689.27	100.0
Cost of Goods Sold		
Supporting Schedule	1,545,589.33	91.2
Gross Profit	149,099.94	8.8
Operating Expenses		
✓Accounting	921.00	0.1
✓Advertising	1,111.44	0.1
✓Auto/Truck Expense	14.65	0.0
✓Bank Charges	204.00	0.0
✓Consultants Fees	6,176.50	0.4
✓C/C Calls Trans Fees	96.30	0.0
✓Legal	1,774.40	0.1
✓Office Expenses	816.20	0.1
✓Printing Expense	184.63	0.0
✓Equipment Costs/Repairs	1,489.50	0.1
✓Postage	1,733.21	0.1
✓Gifts/Donations	244.83	0.0
✓Rent	7,056.00	0.4
✓Repairs & Maintenance	65.00	0.0
✓Security	165.00	0.0
✓Taxes & Licenses	115.58	0.0
✓Taxes - Payroll	1,096.14	0.1
✓Telephone/Pagers	3,241.05	0.2
✓Internet/E Mail	134.70	0.0
✓Travel	7,755.79	0.5
✓Meals & Entertainment	45.32	0.0
✓Utilities	910.85	0.1
✓Wages & Salaries	9,251.28	0.6
Total Operating Expenses	44,603.37	2.6
Net Operating Income	104,496.57	6.2

See Compilation Statement

Pi amount Int'l Telecommunication  
Consolidated Statement

Statement Of Income

For The Year to Date Period  
January 1, 1998 thru March 31, 1998

	Year To Date	%
Other Income		
Interest Earned	<u>269.02</u>	<u>0.0</u>
Total Other Income	269.02	0.0
Other Expense		
Franchise Tax	<u>800.00</u>	<u>0.1</u>
Total Other Expense	800.00	0.1
Net Income	\$ <u>103,965.59</u>	<u>6.1</u>

See Compilation Statement

Pa amount Int'l Telecommunication  
Consolidated Statement

Statement Of Income  
Supporting Schedules

For The Year to Date Period  
January 1, 1998 thru March 31, 1998

	Year To Date	%
Supporting Schedule		
Communication Sales	\$ 1,694,689.27	100.0
Total	<u>\$ 1,694,689.27</u>	<u>100.0</u>
Supporting Schedule		
Communications Costs	\$ 606,344.44	35.8
Commissions	<u>939,244.89</u>	<u>55.4</u>
Total	<u>\$ 1,545,589.33</u>	<u>91.2</u>

See Compilation Statement



**EXHIBIT D**

**Technical**

**Paramount will utilize unbundled services from the Local Incumbent Exchange Company and will rely on their technical support and services to maintain the facilities that Paramount will contract for.**

**Mr. Rudy Raymundo background was with the Local Incumbent Exchange firms of GTE and Southwestern Bell and is very familiar with the technical aspects of the Local Exchange Providers.**